

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF SAN JOSE FINANCING AUTHORITY APPROVING AND AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF A LETTER OF CREDIT REIMBURSEMENT AGREEMENT RELATING TO THE CITY OF SAN JOSE FINANCING AUTHORITY LEASE REVENUE BONDS, SERIES 2008A (CIVIC CENTER REFUNDING PROJECT), APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A THIRD SUPPLEMENTAL INDENTURE OF TRUST RELATING THERETO, APPROVING THE REMARKETING MEMORANDUM RELATING THERETO, AND AUTHORIZING OTHER RELATED ACTIONS

WHEREAS, the City of San José (the "City") and the Redevelopment Agency of the City of San José have heretofore entered into a Joint Exercise of Powers Agreement establishing the City of San José Financing Authority (the "Authority") for the purpose, among others, of having the Authority issue its instruments of debt to finance and refinance the acquisition, construction and improvement of certain public capital improvements; and

WHEREAS, the Authority has heretofore determined to adopt and implement a program under which the Authority will provide financing and refinancing for certain public capital improvements; and

WHEREAS, on August 14, 2008, pursuant to the provisions of Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code and an Indenture of Trust dated as of November 1, 2002, between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee"), as supplemented and amended by the First Supplemental Indenture dated as of May 1, 2006, between the Authority and the Trustee and the Second Supplemental Indenture dated as of August 1, 2008, between the Authority and the Trustee (collectively, the "Indenture"), the Authority issued its \$60,310,000 initial aggregate principal amount of City of San José Financing Authority Lease Revenue Bonds, Series 2008A (Civic Center Refunding Project) (the "Series 2008A Bonds") in order to refinance a portion of the costs of the City's acquisition and construction of its Civic Center at 200 East Santa Clara Street; and

WHEREAS, concurrently with the delivery of the Series 2008A Bonds, the Authority and the City caused to be delivered to the Trustee an irrevocable direct-pay letter of credit (the "Original Credit Facility") issued severally, but not jointly, by The Bank of Nova Scotia, acting through its New York Agency, and the California State Teachers' Retirement System (collectively, the "Original Credit Provider") in order to provide support for the payment of the principal of and interest on the Series 2008A Bonds, and the purchase price of the Series 2008A Bonds upon the optional or mandatory tender thereof; and

WHEREAS, the Authority and the City now desire to deliver to the Trustee an irrevocable direct-pay letter of credit (the "Alternate Credit Facility") issued by Union Bank, N.A.

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(the "Alternate Credit Provider"), in substitution for the Original Credit Facility initially delivered by the Original Credit Provider; and

WHEREAS, in connection with the issuance and delivery of the Alternate Credit Facility, the Authority and the City will enter into a Letter of Credit Reimbursement Agreement (the "Alternate Credit Agreement") and an agreement related to the payment of fees in connection with the Alternate Credit Facility (the "Alternate Fee Agreement") with the Alternate Credit Provider; and

WHEREAS, in connection with the issuance and delivery of the Alternate Credit Facility, the Authority is supplementing and amending the Indenture pursuant to a Third Supplemental Indenture of Trust (the "Third Supplemental Indenture") between the Authority and the Trustee, in order to revise certain provisions of the Indenture; and

WHEREAS, there has been prepared a form of Remarketing Memorandum to be used in connection with the remarketing of the Series 2008A Bonds by Goldman, Sachs & Co. (the "Remarketing Agent") in order to update certain information relating to the Series 2008A Bonds; and

WHEREAS, the Governing Board (the "Board") of the Authority has duly considered such transactions and wishes at this time to approve said transactions in the public interests of the Authority;

NOW, THEREFORE, BE IT RESOLVED, by the Governing Board of the City of San José Financing Authority as follows:

Section 1. Approval of Third Supplemental Indenture. The Board hereby approves the Third Supplemental Indenture in the form posted on the agenda webpage for this joint meeting of the Authority and the City, together with such additions thereto and changes therein as the Executive Director of the Authority (the "Executive Director"), or the authorized designees of the Executive Director (which may include representatives of the City) (each, a "Designated Officer"), shall deem necessary, desirable or appropriate upon consultation with the City Attorney, as counsel to the Authority, the execution of which by the Authority shall be conclusive evidence of the approval of any such additions and changes. The Designated Officers, each acting alone, are hereby authorized to execute and deliver the final form of the Third Supplemental Indenture for and in the name and on behalf of the Authority.

Section 2. Approval of Alternate Credit Facility, Alternate Credit Agreement and Fee Agreement. The Board hereby approves the use of the Alternate Credit Facility to provide credit and liquidity support for the Series 2008A Bonds and authorizes the Executive Director of the Authority (the "Executive Director"), or the authorized designees of the Executive Director (which may include representatives of the City) (each, a "Designated Officer"), each acting alone, to take all actions as they deem necessary to ensure the delivery of the Alternate Credit Facility by the Alternate Credit Provider. The Board hereby approves the Alternate Credit Agreement and the Alternate Fee Agreement in the forms posted on the agenda webpage for this joint meeting of the Authority and the City, together with such additions thereto and changes therein as the Designated Officers shall deem necessary, desirable or appropriate

upon consultation with the City Attorney, as counsel to the Authority, the execution of which by the Authority shall be conclusive evidence of the approval of any such additions and changes. The Designated Officers, each acting alone, are hereby authorized to execute and deliver the final form of the Alternate Credit Agreement and the Alternate Fee Agreement, in the name of and on behalf of the Authority. The Authority hereby authorizes the performance by the Authority of its obligations under both the Alternate Credit Agreement and the Alternate Fee Agreement.

The Board hereby authorizes the Designated Officers, each acting alone, to execute and deliver one or more extensions to the Alternate Credit Facility or the commitment available under the Alternate Credit Agreement for any duration of time that they deem necessary, advisable or prudent, without the approval of this Board, provided that no such extension shall require an annual fee in excess of 2.50% of the commitment available under the Alternate Credit Agreement if the Series 2008A Bonds have an underlying rating of not less than A3/A-/A- by Moody's Investors Service, Inc., Standard & Poor's Rating Services and Fitch Ratings, respectively.

Section 3. Remarketing Memorandum. The Board hereby approves the form of the Remarketing Memorandum posted on the agenda webpage for this joint meeting of the Authority and the City, together with such changes or additions thereto as the Designated Officers, each acting alone, shall deem necessary, desirable or appropriate upon consultation with the City Attorney, as counsel to the Authority. The Designated Officers, each acting alone, are hereby authorized to execute the final form of the Remarketing Memorandum with such changes or additions as the Designated Officers shall deem necessary, desirable or appropriate upon consultation with counsel to the Authority, and the execution of the final Remarketing Memorandum by the Authority shall be conclusive evidence of the approval of any such additions and changes. The Board hereby authorizes the distribution of the final Remarketing Memorandum by the Remarketing Agent.

Section 4. Official Actions. The Designated Officers, the Secretary of the Authority and any and all other officers of the Authority are hereby authorized and directed, for and in the name of and on behalf of the Authority, to do any and all things and take any and all actions, including execution and delivery of any and all documents, assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and documents, which they, or any of them, may deem necessary or advisable in connection with the execution and delivery of the Third Supplemental Indenture, the Alternate Credit Agreement and the Alternate Fee Agreement, and the remarketing of the Series 2008A Bonds.

ADOPTED this 5th day of October, 2010, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

Chair, City of San José Financing
Authority

ATTEST:

Secretary, City of San José
Financing Authority